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**VIRGINIA TOBACCO INDEMNIFICATION
AND COMMUNITY REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501
Richmond, Virginia 23219

Long Range Plan Committee Meeting

Thursday, June 29, 1006
1:00 p.m.

Holiday Inn Tanglewood
Roanoke, Virginia

1 **APPEARANCES:**

2 The Honorable Kathy J. Byron, Committee Chairman

3 Mr. Thomas W. Arthur

4 The Honorable Allen Dudley

5 The Honorable Frank M. Ruff

6 The Honorable William C. Wampler, Jr. (by phone)

7 The Honorable Rick Siger, Deputy Secretary of Commerce & Trade

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9 COMMISSION STAFF:

10 Mr. Neal Noyes, Executive Director

11 Mr. Ned Stephenson, Director of Investments

12 Mr. Timothy Pfohl, Grants Program Administration Manager

13 Ms. Britt Nelson, Grants Coordinator - Southside Virginia

14 Ms. Sarah Griffith, Grants Coordinator - Southwest Virginia

15 Ms. Stephanie Wass, Director of Finance

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1 DELEGATE BYRON: Good afternoon, everyone,
2 welcome. Mr. Noyes, welcome to the Commission, and would you call the
3 roll, please?

4 MR. NOYES: Thank you, Madam Chairperson.
5 Mr. Arthur?

6 MR. ARTHUR: Here.

7 MR. NOYES: Delegate Byron?

8 DELEGATE BYRON: Here.

9 MR. NOYES: Delegate Dudley?

10 DELEGATE DUDLEY: Here.

11 MR. NOYES: Mr. Montgomery?

12 MR. MONTGOMERY: (No response.)

13 MR. NOYES: Senator Puckett?

14 SENATOR PUCKETT: (No response.)

15 MR. NOYES: Senator Ruff?

16 SENATOR RUFF: Here.

17 MR. NOYES: Mr. Siger?

18 MR. SIGER: (No response.)

19 MR. NOYES: Senator Wampler?

20 SENATOR WAMPLER: I'm here, also, in spirit,
21 by phone.

22 MR. NOYES: We have a quorum, Madam
23 Chairman.

24 DELEGATE BYRON: Thank you.

25 I'd entertain a motion to waive the reading of the Minutes of

1 March of last year. I know you've all read them by now. After reading them
2 I discovered I'm going to talk a lot less. All in favor? (Ayes.) All right.

3 I'd also entertain a motion to approve the Minutes.

4 MR. ARTHUR: So moved.

5 DELEGATE BYRON: All in favor? (Ayes.)

6 Now, Stephanie, would you come and refresh our memory of
7 the history of our current Long Range Plan? Before you do that, also, there
8 is a reminder from the Chairman, Senator Hawkins, at our last meeting what
9 his charge was to us and for us at this meeting. Primarily, he wanted us to
10 look at our Endowment and what recommendations we can do to make sure
11 we're meeting the charge that we were given in terms of the Commission. In
12 order to do that, Stephanie, can you start off by telling us what our current
13 Long Range Plan is?

14 MS. WASS: The current Long Range Plan is
15 provided in your packet. It came out of the Long Range Planning Task
16 Force which was created in 2002 and was headed by the Honorable Tom
17 Morris and Mr. Charles Majors, and it first met in August of 2002.

18 SENATOR WAMPLER: Can you speak up?

19 MS. WASS: We had several meetings of the Long
20 Range Planning Task Force, and we had numerous speakers that spoke on
21 various topics. We had help from Virginia Tech, and that's when the original
22 Long Range Plan was created. It was adopted in February, 2003, as part of a
23 resolution involving all the details of the first securitization attempt. The
24 Task Force was dissolved and last met in March of 2005 and recommended a
25 new Funding Plan in preparation for the securitization. The new Spending

1 Plan was adopted by the full Commission in April of 2005, and no changes
2 were made to the Long Range Plan, other than the Spending Plan portion.

3 Part of today is also to revisit the Long Range Plan to see if we
4 want to update that or make any amendments to it or basically bring it up-to-
5 date.

6 DELEGATE BYRON: Senator Wampler, I don't
7 know if you have yours memorized, but you might be at a little disadvantage
8 here. If we can answer anything just let us know and interrupt us as we go
9 along.

10 SENATOR WAMPLER: If it follows the handout
11 I received and read late last night, then I'm somewhat familiar.

12 DELEGATE BYRON: Neal, I guess you're going
13 to present a revised Long Range Plan for us?

14 MR. NOYES: What the Staff has done is to look
15 at the opening sections of the original Long Range Plan and to suggest some
16 language in the opening narrative portions. We did not do anything with the
17 objectives that were established in the existing Long Range Plan, or the
18 strategy. We felt that was a matter for this Committee and for the full
19 Commission.

20 The Vision Statement has changed in this draft that was
21 provided in the packets, and the Mission Statement is changed from a
22 discussion of the funds to a discussion from our Code of what the
23 Commission's responsibilities are. So what we sought to do was align it, the
24 revisions to the Vision Statement we sought to incorporate all the points of
25 emphasis from the original plan, but it's entirely subject to the discretion of

1 this Committee whether the revision is retained or we go back to the original
2 plan. It was my view, in addition to looking at the Spending Plan and the
3 charts that Stephanie prepared and are incorporated in the revised document,
4 the Committee might want to revisit the objectives and strategies, at least in
5 part, this afternoon, if for no other reason than at some point the
6 administration is requiring that there be outcome measures associated with
7 the Strategic Plans of all organizations. The specific measures the Staff can
8 put together and bring before the Committee at a later meeting, but the
9 mathematics, how many jobs are involved, how many companies of what
10 type, that sort of thing, but we couldn't proceed on that basis until we were
11 confident that the Commission wished to retain the objectives and strategies
12 that were listed in the original long-term plan.

13 So, there are really two issues this afternoon, and the first is
14 revisiting the Spending Plan and how those funds are allocated. The second
15 issue is revisiting the individual objectives and strategies for using the funds.

16 DELEGATE BYRON: Are there any comments
17 from anyone? Would anyone like to comment?

18 Stephanie, we might need you back to answer some questions,
19 as well. Looking at the chart you have in here for the MSA revenue and the
20 Endowment, that's taken from what we have proposed in the last plan. Is
21 that correct? Separated out the MSA revenue versus the Endowment money.

22 MS. WASS: Right. In the original Long Range
23 Plan the funding allocation table was assuming full securitization of the
24 MSA funds, with part being tax-exempt and part being taxable. Under
25 different scenarios we had made certain assumptions, the assumptions we

1 made when we did the original funding allocation table. That funding
2 allocation table is not applicable now. The Spending Plan that was adopted
3 last year is what the budget work group and this group came up with as far
4 as creating two endowments, one in the Southside and one in Southwest,
5 limiting the corpus invasion to a certain percentage per year, and leaving it
6 open to restricted funds for use for Technology and regional Economic
7 Development. So that's how we operated.

8 The table under the recommended changes are just general
9 ranges based on what we've done in the past, trying to split the restricted
10 funds and unrestricted funds and what the funds would be used for, and just
11 general ranges based on what we've done in the past.

12 DELEGATE BYRON: I'm not sure that Senator
13 Hawkins, he put in place a charge and plan that would fully utilize our
14 Endowment and anticipated any downsize in the MSA in the future so we
15 can have a structure that would work best for us. Do you feel the structure
16 we have here accomplishes that or allows for some downturn in the MSA
17 payment?

18 MS. WASS: If there's a downturn in the MSA
19 payments or they stop coming all together, we would stop making awards.
20 We're in pretty good shape now, and we're not allocating funds until they
21 arrive.

22 DELEGATE BYRON: Our past balances, you're
23 saying then that we have past obligations and they no longer exist, or
24 minimum?

25 MS. WASS: We have cash in reserve for any

1 obligation we made to-date. Most of our grant cycles, there are a couple of
2 exceptions, most of the grant cycles, the money is not awarded until it's in
3 hand. So, in April if we don't get the money, then we don't award as much
4 money.

5 MR. NOYES: At that point we would be involved
6 with restricted monies, the securitized portion of the larger element.

7 MS. WASS: The restricted funds, those are on-
8 hand, and we have the Endowment, and we can invade the corpus, so we
9 would only spend as much as we have.

10 DELEGATE BYRON: Do the rest of the members
11 believe that this plan that we have in place now fully utilizes the
12 Endowment?

13 DELEGATE DUDLEY: Is this current?

14 MS. WASS: Yes, this flow chart shows you what's
15 happened with the Endowment to-date. That is including the corpus
16 invasion, which we've just done, and that's April.

17 DELEGATE BYRON: Based on those
18 disbursements, how long will the Endowment be existing?

19 MS. WASS: It depends on how fast we draw it
20 down. For example, in FY06 we took 7.4 percent of the Endowment
21 balance. As you know, by Code we can do up to 10 percent, or up to 15
22 percent with a super majority. Depending on how much in any given year
23 the Commission invades the corpus, that will depend on how long those
24 funds will last.

25 DELEGATE BYRON: Do you have any estimate,

1 as far as a figure, if we take it all?

2 MR. STEPHENSON: You're talking about a burn
3 rate scenario, if we burn 10 or 4 or 15, you know, we have all those tables,
4 but as Stephanie said, it's just a matter of how quickly you burn that corpus.

5 MS. WASS: It may vary between Southside and
6 Southwest. Southside may choose to invade the corpus faster, and therefore
7 the Endowment will go faster.

8 DELEGATE DUDLEY: The earnings or the
9 money in the Endowment, is that added back to this, or are those separate
10 funds?

11 MS. WASS: It's transferred annually to the fund,
12 the regular fund. It's part of our budget process, so when we allocate money
13 for Technology and regional Economic Development we factor in how much
14 we've earned and the remainder for corpus invasion.

15 DELEGATE DUDLEY: This balance will not go
16 back up.

17 MS. WASS: Right, yes.

18 DELEGATE BYRON: Senator Wampler.

19 SENATOR WAMPLER: In the, well, I'll wait until
20 the appropriate time, and I'll reserve it for a later point in time. In reviewing
21 the documents last night, it seemed to me that, and I don't want to get into
22 the question at this point as to whether we continue with the best technology,
23 but as far as the offshoot from the growth that we have had in Southwest for
24 technology-based companies, it's very clear to me that it is a need, in
25 addition to the scholarships that we have already granted. So I'm not sure

1 our Long Range Plan two or three years from now would adequately address
2 the training of the workforce to meet the technology-based jobs that have
3 been created as a result of our employment of fiber optics.

4 My discussion point to the Long Range Planning Sub-
5 Committee is not to say we think a strong recommendation is X-million
6 toward that end, but I think the Staff ought to work with various entities
7 within the Executive Branch, as far as what we need 18 to 24 months from
8 now, trying to train a technology-based workforce. Whether it's four-year
9 degrees or retraining the existing workforce or graduate level studies. In my
10 mind that might be the next logical step where you'll put aside significant
11 dollars for critical mass to help transform the economy. That's a lot to say
12 for a person participating by telephone, but I think that's very important for
13 the Long Range Plan.

14 DELEGATE BYRON: Thank you, Senator
15 Wampler, that's a point well taken. I know I've served on other committees,
16 and I'm sure you've experienced that as well dealing with workforce training
17 issues, even in areas that are not seeing that type of growth where you have
18 the critical areas and then you've got the workforce training question. In our
19 area particularly there is a workforce out there that has not experienced the
20 same level of technology training that's needed for these jobs.

21 SENATOR WAMPLER: Could I inquire of the
22 Director or whoever is there from Staff that might have an idea of what they
23 could generate as an examination or how they could coordinate with the
24 executive agencies or how we might address this over the next 12 to 24
25 months from now?

1 MS. WASS: We do have access to data and a
2 database that does provide projected demand occupations ten years in the
3 future, and we do have that broken down by tobacco regions, and we can do
4 a little research there.

5 SENATOR WAMPLER: Madam Chairman, What
6 I'm really trying to get to is, and the smallest subset possible, but how can
7 we create 500 folks that have skill sets that will meet the immediate needs
8 now that we have deployed all the fiber optics? I don't know if Neal's given
9 a thought to that, or whether you're all ahead of the young Senator from
10 Bristol. I'd be curious to their response, not so much from a budgetary
11 standpoint, but is that something that we can put into play, and where do we
12 go from here?

13 MR. NOYES: Senator, I've had conversations
14 with the Secretary from Technology, Childra, about this, and it didn't lead
15 directly to any specific recommendations for the Commission to undertake
16 an activity. In fact, he raised it with me at a meeting and said, what are you
17 doing about this. I said, we have our regular education programs, and some
18 of those programs focus on this area, but there's nothing that is specifically
19 targeted to technology education that would serve the types of businesses
20 that you're seeing in Southwest and we're beginning to see in Southside, to
21 my knowledge.

22 DELEGATE BYRON: Ned, do you want to add to
23 that?

24 MR. STEPHENSON: Yes, Delegate Byron.
25 During the budget formation process for fiscal 07, which is about to begin,

1 I've had a few conversations with several commissioners, including Senator
2 Wampler, about this need, and those conversations resulted in our
3 presentation to you on the budget that contained an extraordinary amount of
4 money in the Education line item as being our first step to positioning the
5 Commission for doing additional work in this area. The Committee may
6 want to talk about whether or not it can get that work done through its
7 current Education Committee process, or whether that needs another home
8 in Technology, or something different, but I think we're moving in the
9 direction of putting resources in place to address some of these human
10 capital issues that lie ahead.

11 SENATOR WAMPLER: I would caution our
12 executive branch employee that just spoke to try to do the best deal that you
13 can where the Tobacco Commission sn a joint venture with other entities.
14 I've seen too many governors try to use the Tobacco Commission as a 100
15 percent funder of certain initiatives. Perhaps that's what we're going to have
16 to do to do it right, but I would hope that we are a 50/50 partner or
17 something closer to that with other dollars.

18 Neal, I think that's what you indicated to the Secretary of
19 Technology.

20 MR. NOYES: I follow that direction, thank you,
21 very much, Senator.

22 SENATOR WAMPLER: I do think for the Long
23 Range Plan that's one of the more important questions we have to answer in
24 particularly setting aside dollars to pursue it.

25 DELEGATE BYRON: Senator Wampler, along

1 the same lines I think we're going with the overlap or something that Senator
2 Ruff and I were looking at last year when we did that study on performing
3 the workforce training and all the different areas that are looking at
4 performance in that area but certainly addresses some of these things. I
5 know Delegate Dudley just had a major influx of workforce training dollars
6 from the federal level in Rocky Mount. There are a lot of bits and pieces
7 that are being done across the region. We need to figure out a way that we
8 can all collaborate and work together without having overlap or us taking
9 charge of it.

10 SENATOR WAMPLER: Yes.

11 DELEGATE BYRON: I don't know how we're
12 going to communicate that. The Staff has heard that and will work on that in
13 the next couple of months. The Assistant Secretary just arrived, so, I know
14 you're thinking all the way on your drive here.

15 MR. SIGER: I'd like to hear where we've gone in
16 the last 20 minutes or so before I got here to participate. I've had one
17 meeting after another today.

18 DELEGATE BYRON: We've been enlightened on
19 looking at our current Long Range Plan, and then we have a draft of a
20 revised Long Range Plan that we're addressing right now to ensure that we're
21 doing what we have been charged to do as far as using the funds in the best
22 way we can and to anticipate any downturns and any changes in the process,
23 specifically the Endowment.

24 Mr. Arthur, would you like to add anything?

25 MR. ARTHUR: There's a real life situation we

1 have in Pittsylvania County now. In talking to a very large company who
2 was around town looking at our workforce. It became obvious that our
3 workforce, the average age was 46 years old and lacking in technological
4 skills since the demise of Dan River, and so forth. I think, along with
5 Senator Wampler, we definitely need a plan in the future how we take this
6 workforce forward in order to meet the requirements of today's technology-
7 oriented companies. This was a manufacturer, but even in the manufacturing
8 jobs today in this type of business you've got to have some technical skills
9 other than just brute labor. I think we have to move in that area. With the
10 workforce average age being 46 years old, there are not a lot of companies
11 that are going to come in and want these people unless they already have
12 skills, so we need to look into that.

13 DELEGATE BYRON: That sounds like
14 something that Senator Ruff with his committee may address as a sideline as
15 far as how, not necessarily the job but the training that they need and
16 different things to make sure that they're looking at scholarship money and
17 things like that.

18 As I was reading this over again, I think one of the things that
19 could be wrong, Ned, you have had conversations with Senator Hawkins.
20 One of his concerns, I think I recall from the last meeting we had about
21 receiving new MSA payments and that possibly being in jeopardy. Talking
22 about a fluid situation, and this is a good question. Let's just say those
23 monies were cut drastically as far as the money we have coming in from the
24 MSA revenue. How much does that tie our hands? Let's just say we have
25 hardly anything to spend of MSA revenue, then what do we do with the

1 Endowment? Most of it would go to Technology and things like that. What
2 are some of the things that, could you remind us again of what some of those
3 expenditures are that we can consider for that money?

4 MS. WASS: Securitized funds, which are tax-
5 exempt bonds, have to be used for capital projects. Education things, like
6 buying computers or building a building. As far as training, those restricted
7 dollars generally cannot be used for that.

8 DELEGATE BYRON: Everyone, how do we see
9 us using the Endowment to do everything we need to do if we were in a
10 position where that's where the bulk of our money was?

11 SENATOR RUFF: Madam Chairman, I'm not sure
12 where you're trying to take that, but I guess I'm a little bit confused. My
13 concern is I believe that this Committee ought to be focusing on where we
14 should be 20 years, 10 years or 5 years down the road. What originally
15 started this Committee was we were approving things helter-skelter, and no
16 rhyme or reason where we were going, and then this Committee, we went
17 with it. I thought the goal of the Long Range Plan Committee was to try to
18 figure out where we want to be and how we were going to get there. Kind of
19 drawing a map, not a detailed map but just some kind of guideline or a way
20 to get from here to there. I think we would have done that with Technology.
21 I'm trying to understand the broadband that we have, the backbone
22 committee, but I think the question is do we worry about the last mile, do we
23 worry about the employees that can or cannot do the work that the
24 companies are trying to recruit. It all fits together, and I think we need to
25 focus on where we want to be and work backwards.

1 MR. ARTHUR: We obviously want to be at full
2 employment, and how do we get there?

3 SENATOR RUFF: We can get full employment by
4 sending everyone under age 65 out of the area.

5 DELEGATE BYRON: What we're saying is that
6 we've met the Technology charge that we have to put fiber in the ground and
7 get to that stage. Senator Wampler mentions making sure that we have a
8 workforce that is ready and trained to meet the demand of the companies
9 coming in. Is there anything else? Are we there, we can just say, you
10 know --

11 SENATOR RUFF: -- Are we going to address the
12 issue of the last mile, and if so, how are we going to address it?

13 DELEGATE BYRON: I wish I could answer that,
14 I'm not the Technology Committee chair. That's a good question.

15 SENATOR RUFF: Do we want to care about it?

16 DELEGATE BYRON: I don't know if that's
17 appropriate, I brought up the same question, and I feel as part of the Long
18 Range Planning Committee we certainly can give our input to it. That was
19 something at our last meeting we left off, at our last Technology Committee
20 meeting we left off with that very question, and we're supposed to be getting
21 some information regarding, from MBC and some of the players that have
22 been involved in putting the framework up as to what the costs were going
23 to be and how they are going to achieve that last mile. Would we be
24 looking to achieve it just to say the public facilities, and maybe that would
25 bring in a broader cast or opportunity for residential, maybe pick up off of

1 that? Right now I believe the framework just goes to the industrial parks,
2 and business locations like that.

3 MR. NOYES: Madam Chairman, earlier this week
4 I met with Ned and Tim and Delegate Hogan, and he has asked that there be
5 a meeting of the Technology Committee at some point mid-August, and that
6 prior to that time information would be assembled, including going to our
7 Technology Secretary that would provide information to the Technology
8 Committee on the last mile option.

9 MR. ARTHUR: Madam Chairperson, we've spent
10 a good deal of money with the backbone, and it isn't really worth a fly's you-
11 know-what if we don't address the last mile. Somebody's got to do the last
12 mile, and what we have not done is decide who is going to do that. If
13 commercial entities are not going to pick up that slack, then we're going to
14 have to do it ourselves; otherwise, we wasted about \$30,000,000 in the fiber,
15 putting in the backbone. It's going to go nowhere if it's not lit by someone.
16 Putting in the backbone is not the whole solution. As far as the whole
17 solution, we've got to look at this last mile. I think Delegate Hogan knows
18 that.

19 MR. NOYES: There are two issues that Delegate
20 Hogan raised. One was what are the technologies that would be appropriate
21 for the last mile activities in Southwest and Southside and who should be
22 responsible. Those are really the two issues. Between now and mid-August,
23 Staff will be getting that information to present for discussion by the
24 Technology Committee.

25 DELEGATE BYRON: What the Long Range

1 Planning Committee can do is express that we feel that this is very important
2 to the Long Range Plan. What we can do is find out what is the consensus
3 of the members, and that's certainly something within the purview of what
4 we're looking at here.

5 MR. ARTHUR: That's where I was headed when I
6 was speaking just a moment ago.

7 DELEGATE DUDLEY: I noticed in this, and I
8 assume that's a revised version of what we're talking about?

9 MS. WASS: Yes.

10 MR. NOYES: There is a revised version.

11 DELEGATE DUDLEY: Technology with five to
12 ten million dollars, assuming that's an annual expenditure?

13 MS. WASS: Right.

14 DELEGATE DUDLEY: So what do we do with
15 that?

16 MS. WASS: I'm not sure, it's for you to decide.
17 That would be dependent on if you were looking at the last mile or not,
18 perhaps it needs to be much more than that, but based on what I've been told
19 and what we've done so far, I think we're at a crossroads right now of are we
20 done, or do we need to go to the next phase. Right now it's just a rough
21 range of an annual amount. I don't know if in this plan you want to go into
22 that in that much detail, or if that's the plan in the future.

23 DELEGATE DUDLEY: The point is that in this
24 narrative there is money that's kind of set aside for some type of continuous
25 technology expenditure.

1 MS. WASS: Yes.

2 DELEGATE BYRON: There is money set aside,
3 but if you remember at the last Executive Committee meeting, it was
4 Delegate Hogan's impression that he thought we might be done. I don't
5 know that he had an agreement with the rest of the membership in that
6 regard. I think in discussing whether or not the Long Range Planning
7 Committee believes this is an important component and something that
8 should be presented back to the Executive Committee, that's something that
9 we believe we should continue to pursue, and that's critical to those areas
10 that are going to need that resource in the future, because without it it's only
11 going to affect a very small part of the community.

12 SENATOR WAMPLER: Madam Chairperson, I'm
13 trying to follow what people are saying, and I hope I'm coming in somewhat
14 clearly. I think I heard Mr. Arthur say that Technology continues to be
15 involved in the Southside region. My point would be for purposes of this
16 Committee that I think we need to report that we do not have a clear idea of
17 where our investment of dollars in Technology in terms of infrastructure
18 goes. I would hope that our Staff, along with Southside and Southwest,
19 because I suspect they'll come up with separate answers as to what is needed,
20 not only in terms of dollars, but also how we're going to get there. You may
21 recall, at least what I think is the prevailing thought, that Southwest was
22 doing it one way and Southside is doing it another way; both regions are
23 probably right in their application. So I think we need to report, or I hope
24 we can report, that Technology is a remaining signature piece and we're just
25 unclear as to what the financial commitment will be in the future. I think

1 Staff needs to perform an assessment and report back to the various
2 committees as to where we go from here.

3 SENATOR RUFF: I think we ought to ask the
4 Staff to develop two or three scenarios. We know we want to use the
5 broadband throughout the region, so how can we best do that with the
6 dollars that are available and most efficient way? Do we do that by actually
7 going in and wiring house-to-house communities, or is that an issue of being
8 an enabler and bringing in a third party that would invest in the process, or
9 does it mean that we'll work in some fashion to get from here to there?

10 DELEGATE BYRON: I think a lot of questions
11 are similar along the lines of the Technology Committee was referring to
12 MBC and some of those people that have partners already that are just at that
13 stage. I think there are several people that are interested in maybe doing
14 some work in the Appomattox area, but we don't have those answers. Of
15 course, we want to make sure that we do everything that utilizes our funds in
16 the very best manner. So, we've got to get some answers to these questions.
17 I think in generalities what we're saying is the same as Senator Wampler and
18 Mr. Arthur have said, and that is that this is a very important commitment
19 and signature piece of our Long Range Plan.

20 SENATOR RUFF: I would simply follow up with
21 that and say everything we do is important, I hope. When we try to educate
22 people they all have good components of success, but the question is, how
23 do we set priorities. If we turn this over totally to Technology and we turn
24 education over to Education, economic development over to those
25 committees and say we don't have any role, then the Committee should cease

1 to exist. If we believe we need to coordinate these things and determine
2 where we want to be so that we can guide things in that direction, I think
3 that's what we should be talking about.

4 DELEGATE BYRON: You're talking about this
5 Committee?

6 SENATOR RUFF: Yes.

7 DELEGATE BYRON: So how do you suggest
8 that we specifically accomplish that?

9 SENATOR RUFF: Well, we've got in
10 administration, two or three million dollars. I would say that we ought to be
11 making sure that the Staff is given guidelines, but they're giving us options
12 of where we need to go and how we need to get there, rather than sitting
13 there spending a lot of time dealing with proposals. Some of those we know
14 are worthless. We've pretty well said we're not going to do five things, but
15 we're going to do ninety-five things, or maybe we ought to say, hey, help me
16 narrow it down to ten or twenty things we consider, so they don't waste a
17 whole lot of time on proposals that are not going anywhere.

18 MR. SIGER: If I may, Madam Chairperson, I
19 would suggest it might be a good idea to consider some structure or have
20 some structure in the funding, restricted versus non-restricted, the vast
21 majority restricted to infrastructure and things like that. So as we tailor our
22 strategy 10 or 20 things that we decided we needed to focus on, and focus on
23 things where we can make the biggest difference, like workforce
24 development and training is crucial to the success of the economy. The way
25 funds are set up with this Commission may not be the most efficient use for

1 those funds or where we can get the most bang for a buck.

2 DELEGATE BYRON: Appreciate that. I think a
3 lot of that was mapped out long ago when we determined the percentages
4 that each committee was going to be receiving. I'm not sure I totally
5 understand, and I don't know if the Staff understands, or, as I say, whether I
6 understand it totally, what we've been charged with from Senator Ruff's
7 comments. Do you understand, Stephanie, what he's asking you to do?

8 MS. WASS: If I understand correctly, to research
9 further what needs to be done, and rather than sitting back and letting things
10 come to us, really determine what the needs are and move forward that way,
11 rather than have people come to us to fulfill that need. I think we're going to
12 have to have some more research at the Staff level.

13 DELEGATE BYRON: I don't know if you're
14 referring to grants in general, or are you still referring to the Technology
15 Committee?

16 SENATOR RUFF: I'm talking about grants in
17 general. I'm not trying to get into the specifics. Every week somebody calls
18 me and says, you all consider this, and as I say, as a member, I can't tell you
19 whether we would or would not. I'll tell you how I would probably receive
20 it, but I can't speak for the Commission. Are we going to deal with K
21 through 12, and if we said no, are we going to deal with childcare, and we
22 said no, so I can't say no. There's a lot of, just like we said we weren't going
23 to fund YMCA's.

24 DELEGATE BYRON: Are you saying you want
25 the Staff to do more guidelines or receive the phone calls?

1 SENATOR RUFF: They can't take the phone calls
2 unless we tell them what we're willing to accept or not willing to accept.

3 DELEGATE BYRON: I thought we had done that,
4 are you saying we have not?

5 MR. STEPHENSON: We did some of that in the
6 recent Executive Committee meeting, but I think Staff has gotten a fairly
7 clear signal that the Commission at-large is very reluctant to put down hard
8 rules that we will not do. The guidelines that came through that Executive
9 Committee meeting are along the lines of low priority items that would not
10 receive a Staff recommendation. They're actually printed on the last page of
11 this draft you have.

12 SENATOR RUFF: Do you all believe that's
13 enough guidance for you to sort through them?

14 MR. STEPHENSON: I can only speak for one
15 Staff member, but we want to do that which your policy and your desire is.
16 If you want to tell us that certain things are barred, we can carry out that
17 directive, and we can stop some projects that you don't want to consider. My
18 experience with the Commission is that you're not willing to do that. I think
19 if you look at the very last bullet in your package, that says certain items
20 should be low priority, such as community centers, wellness centers, arts,
21 culture, childcare, retail, 4-H and so forth. That came out of an Executive
22 Committee meeting.

23 SENATOR RUFF: That has not been dealt with by
24 the full Commission?

25 MR. STEPHENSON: It has been, yes. If I may,

1 I'm trying to respond to what Senator Ruff is asking us. It seems as an initial
2 step only, the mere allocation of resources to the Commission is a very
3 strong tool by which the Commission sets its priorities and guidelines and
4 what you want to do. One of the changes in this draft is the inclusion of the
5 Spending Plan, which the Commission adopted maybe a year ago. I think
6 Staff is looking for the Commission to make that a part of its Long Range
7 Plan, which really sets the general allocation of resources among these
8 various initiatives. We've put that in the plan, and I raise this issue to give
9 you the chance to say that you wish to affirm this, or that it is needed to be
10 removed. That's on the second page.

11 MR. NOYES: Of the revised version.

12 MR. STEPHENSON: It is a Spending Plan that
13 would guide the MSA resources through the Commission and through its
14 budget to the various initiatives in some manner. The Staff is on track to
15 follow that, unless you ask us to do it differently.

16 DELEGATE BYRON: Well, we're not limiting
17 ourselves to the funds that are in the chart here, are we?

18 MR. STEPHENSON: It's a guideline only, subject
19 to change any moment. The Staff uses that in budget preparation.

20 DELEGATE BYRON: Do we even need these
21 figures in there? If not, just the priorities or what they're going to be? Are
22 the figures important, are they important to you in that regard?

23 MS. WASS: No.

24 MR. ARTHUR: Even as a guideline, though,
25 there's nothing hard and fast about this, as far as I'm concerned. These are

1 really priorities. The administration we have to do and the indemnification
2 we've got to do by legislation and the rest of them are things we want to do.
3 I don't see that you need to put funds in there, because it's true the five or ten
4 million on Technology is a drop in the bucket, should we choose to do the
5 last mile. In any case, we don't desire to own the last mile, and we want to
6 find, I guess, third parties that would do the last mile. I don't see that it's
7 important for figures here, other than these are areas with the following
8 priorities. At least to me, because I know five or ten million doesn't mean
9 anything in terms of the Technology Committee.

10 DELEGATE BYRON: I don't know, it's not
11 written in, it's just a guideline, and I guess it doesn't matter.

12 MR. ARTHUR: No.

13 DELEGATE BYRON: Outside of the comments
14 made about workforce training, is that included in workforce training, the
15 priority in this plan here?

16 MR. NOYES: We have to go back to the original
17 plan and look at the objectives and strategies that the Commission selected,
18 and even those that you retain or those that had to be incorporated with the
19 revision, along with some outcome measures.

20 DELEGATE BYRON: Strategy, I thought that's
21 what you did in your revised plan.

22 MR. NOYES: All I did was the vision statement,
23 the only change was the piece right here. We didn't get into the individual
24 items.

25 DELEGATE BYRON: You're saying that we're

1 suggesting that we don't do that until we need to address it?

2 MR. NOYES: I think they need to be addressed,
3 some you may no longer wish to include, and there may be some that you
4 need to add.

5 DELEGATE BYRON: I didn't know if anyone
6 was going there. Do we need to relook at it now? Do you want to look at
7 each one of those briefly, or what? We've got Indemnification, Rationale
8 and Objective. The Objective is indemnification for tobacco producers and
9 quota holders. Then we've got Strategy, annual payments. Then Building
10 Technology Infrastructure.

11 DELEGATE DUDLEY: When we first drafted and
12 passed the legislation dealing with the indemnification portion of it, we were
13 using a scenario that said X number of dollars per pound. Subsequent to
14 that, there's been a national buy-out, and a different dollar figure was
15 determined to be the base for it. We've never gone back and taken a look at,
16 in fact, we're using different figures than what the national buy-out figure
17 was. I raised that a number of times, and I was shot down. It's something
18 we ought to consider.

19 MR. ARTHUR: I never understood why we were
20 paying \$12 a pound and other people were paying \$10.

21 DELEGATE DUDLEY: The two didn't exist at the
22 time we did twelve.

23 MR. ARTHUR: How it ended up 50/50 when it
24 wasn't supposed to.

25 DELEGATE BYRON: I didn't do it.

1 MR. ARTHUR: That's water over the dam. I don't
2 know why we were paying 12 when the national buy-out figure is 10. That's
3 a legislative --

4 DELEGATE DUDLEY: -- No, that was a decision
5 of the Commission.

6 MS. WASS: In the Code it indicates the total value
7 of the quota for Virginia, and based on that, the Commission makes a policy
8 of what rate it would compensate the quota holders and producers.

9 DELEGATE BYRON: Was that only done one
10 time?

11 MS. WASS: It was done at the very beginning.

12 MR. ARTHUR: There are enough farmers on this
13 board you'll never get that reduced again.

14 DELEGATE BYRON: Do we want to pursue that
15 or not?

16 MR. ARTHUR: I don't think it's going anywhere
17 on this board.

18 DELEGATE DUDLEY: At the time, we were
19 working with numbers, and there was no clear basis of what the numbers
20 should be. I think the national buy-out established the base price, but we
21 continued to use numbers different than the established base price, and that's
22 the point I'm making.

23 DELEGATE BYRON: Do you want to bring that
24 up to the Executive Committee as part of our discussion or report?

25 MR. ARTHUR: I think it should be brought up.

1 SENATOR RUFF: I'm trying to think through the
2 process, so, yes, it probably ought to be discussed, and I don't know what the
3 chances are that it would pass. How much capital do you want to put into it?

4 DELEGATE DUDLEY: I don't know either, but
5 we're talking about 10 or 15 years down the road we'll still be paying the
6 indemnification payments based on a different schedule than what
7 everybody else is.

8 SENATOR RUFF: The only thing we're dealing
9 with is that portion that was lost before the national buyout, isn't that
10 correct?

11 MS. WASS: Yes.

12 SENATOR RUFF: So we're talking about from
13 1998 until 2000?

14 MS. WASS: The crop year.

15 SENATOR RUFF: So you've got a finite amount,
16 it's not going to be that long.

17 MS. WASS: Indemnification payments for the
18 next nine years.

19 MR. ARTHUR: Through 2015.

20 DELEGATE DUDLEY: If you calculate it out
21 when we started back from scratch --

22 MS. WASS: -- It would probably be difficult to go
23 back, because after you compensated for one year and we move to the next
24 year database and there's a transfer of quota, and I think if you change the
25 rate you'd have to do it from here forward. I don't think you can go back.

1 DELEGATE DUDLEY: I'm not saying you'd go
2 back and collect it, and you may be dealing with different individuals, but if
3 you're talking about a consistent quota base all the time, it's just reduced.

4 MS. WASS: Well, if you can compensate it \$10 or
5 \$12 you could do if for future payments, but it would be difficult to go back
6 in the past. That's still nine more years.

7 DELEGATE DUDLEY: Almost 50 bucks from
8 500,000, or 5,000,000.

9 MR. STEPHENSON: The remaining liability is
10 \$96,000,000 being paid at the rate of \$12 a pound. If you paid \$10 instead
11 of \$12, you can do the math.

12 SENATOR RUFF: Fifteen or sixteen million
13 dollars.

14 MR. STEPHENSON: I think at this moment,
15 Madam Chairman, Staff needs to know whether you want to go to the
16 Executive Committee or not.

17 DELEGATE BYRON: I don't see any reason why
18 not, I think we at least need to discuss it, and we can discuss it among the
19 members. We can discuss it among the membership.

20 SENATOR RUFF: When you finish talking about
21 that, I think we ought to raise the issue of should we take care of the buy-out
22 for any of the farmers in less than nine years. The law firm is making a lot
23 of money on reinventing the wheel every year, and don't quote me on that.
24 Most dollars are going to X percentage, and there's a lot of small growers
25 that might, be more efficient just to go ahead and pay them out in a couple of

1 years.

2 DELEGATE BYRON: It might be interesting to
3 take a look at the calculation in how that comes out. If you're talking about
4 the small growers, it wouldn't be that much.

5 MS. WASS: In talking to our vendor, I think
6 logistically it would be difficult to pick out just the small ones and pay them
7 ahead without also offering that to the others. I think Frank Ferguson said
8 there might be a legal issue picking out a certain group to pay early and not
9 allow the other group to also be paid, unless you want to pay everybody off
10 early.

11 DELEGATE BYRON: This brings to mind that
12 some of the smaller communities are dealing with smaller sums of money,
13 some of those farmers get a certain sum a month. Some of them might be
14 effectively able to do something, rather than getting a smaller amount over a
15 long period of time.

16 MS. WASS: I think that was the consensus at the
17 time because of the farmers on the Commission and the original budget that
18 was proposed to pay that off in four years, some of them would rather have
19 their money now rather than later. With an aging population, they're not sure
20 if they'll be around, and that was a discussion topic. When you're paying
21 450,000 a year for contracts for payment processing times the effort, that
22 was discussed.

23 DELEGATE DUDLEY: The other way of
24 handling that federal buyout was probably on a discount basis. If you
25 factored in the interest factor, you're not getting a hundred percent.

1 MS. WASS: Securitize the buyout.

2 DELEGATE BYRON: Is that something you want
3 to pursue or not?

4 SENATOR RUFF: I think we ought to figure out
5 one way or the other, since there's a complication in what's proposed, maybe
6 there's a good way of doing it. At least, we should explore it.

7 DELEGATE BYRON: It does, and in looking at
8 the long range down the road it gives us the answers to some things; later, if
9 we're asked about it, then we would have looked at it and made a decision
10 based on what you come back to us with, unless Frank tells you not to bother
11 with it. In that case, I don't know that you want to change anything.

12 MS. WASS: The federal buyout was an option,
13 and it could go either way, but they'd have to offer it to everyone, I would
14 think, and that might work.

15 SENATOR WAMPLER: I've been trying to follow
16 along on the discussion with the indemnification. I haven't gotten all the
17 conversation, but whatever way you proceed on, I would suggest that we
18 have the widest dissemination of any proposed change, because we'll hear
19 from the growers and quota holders related to any change that we might
20 contemplate.

21 DELEGATE BYRON: Then we'll hear from the
22 growers and quota holders.

23 SENATOR WAMPLER: Yes, as well as the quota
24 holders. Anytime we try to modify or tweak anything with regard to
25 indemnification, certainly in Southwest, we will receive a volume of calls. I

1 just want to make sure that everybody understands and all parties
2 understand, should we decide to change anything.

3 DELEGATE BYRON: We're certainly only
4 exploring some figures. I understand what you're saying. How many quota
5 holders do we have on the Executive Committee? C. D. Bryant and Mr.
6 Mayhew.

7 MR. STEPHENSON: Not on the Executive
8 Committee.

9 DELEGATE BYRON: Senator Wampler, you can
10 bring that up at the Executive Committee meeting as well, and certainly
11 anyone in this meeting would understand we're getting some information for
12 the benefit of the Committee. Is that okay with you?

13 SENATOR WAMPLER: Thank you, Madam
14 Chairperson.

15 MR. NOYES: The Staff will gather information
16 based on the federal program and have that available for the Executive
17 Committee at the next meeting.

18 DELEGATE BYRON: So pending that, did you
19 want to ask anything else about it?

20 DELEGATE DUDLEY: With that, and I know
21 there's real concern about the growers, I know bringing up the subject is one
22 thing, but if we're going to look at something like that, you're talking about
23 the cost of maintaining the growers doing this, and we basically voted that
24 idea down at one of the last meetings. There was some savings of 400,000 a
25 year, or something like that. If you're looking at it from the rationale of the

1 discounting basis, cash up front, and looking at that scenario, and why
2 would an owner do that, because they don't know how long these MSA
3 payments are going to continue, either. We can't go into our Endowment to
4 continue to pay them if the MSA portion cuts off. They would have some
5 incentive to look at that; that's what I'm saying.

6 DELEGATE BYRON: We've concluded the
7 indemnification, are we ready to go to Technology? I mentioned strategy
8 about the last mile connectivity, and that's something we already talked
9 about here. What kind of clarification are you looking for from Staff? Are
10 you referring to everything that we've already discussed with regard to the
11 last mile?

12 MR. NOYES: We pretty much covered it in
13 discussion among ourselves. The issue is, are we going to fund private
14 Internet service providers, and if we're going to do that, how do we do that,
15 through what type of intermediary, we're not going to be making grants to
16 for-profit organizations. That discussion needs to take place within the
17 Technology Committee and as part of the Long Range Planning process,
18 because there are financing implications, there are relationships between the
19 different priorities that you have there. It's not that it only takes place in the
20 Technology Committee, it's a matter where this Committee can provide some
21 sort of overarching statement that directs the Technology Committee to say,
22 for example, under no circumstances are we going to provide any funds for
23 for-profit entities. The Technology Committee then needs to work within
24 that framework for the Long Range Plan to be adopted. I'm not suggesting
25 that's what the Commission wishes to do, but it's that sort of issue that's a

1 long-range issue.

2 DELEGATE BYRON: That generally needs to be
3 updated after we've talked about all the issues dealing with deployment.

4 MR. NOYES: Absolutely.

5 DELEGATE DUDLEY: I'm not sure where we
6 stand when you say largely completed. Is the backbone in anywhere?

7 MR. ARTHUR: No. It's not in. It's supposed to
8 be completed by the 20th of July, I think. As far as I'm concerned, they've
9 been behind from day one.

10 MR. NOYES: My understanding is that financing
11 for the backbone construction has largely been allocated. Whether
12 construction has been completed, perhaps that's not the right language,
13 largely completed. Financing has been provided for the backbone portion as
14 it was originally envisioned. The Commission may choose to at this point
15 say, we're going to take backbone from where it stops on 360, and we're
16 going to take it all the way to Cumberland County to serve that community,
17 but that decision has not been made to take it there.

18 MR. ARTHUR: As I understood it, all cities east
19 of Lynchburg and South Boston had been wired. I know they stopped on 58
20 toward Danville, and they've been working on that, and they've gotten
21 almost to Lynchburg, and it's supposed to connect to the northern end of,
22 they call it E-Dan, connect on back into Danville. I haven't seen any of that
23 yet, I haven't seen anybody working. I know where they stopped at on 58,
24 east of Danville. I think Clark ought to be putting a little pressure on them,
25 myself, and that's another story.

1 MR. STEPHENSON: Delegate Byron, at the
2 upcoming July Commission meeting we will have a full progress report from
3 MBC on their status to date, try to clear something up.

4 DELEGATE BYRON: I hope they bring
5 everything up-to-date.

6 MR. STEPHENSON: It's on the agenda for July
7 27th.

8 MR. ARTHUR: Where are our pressure points?
9 Where can we apply any pressure to MBC? That's our only point. If we
10 hold up the money they stop totally, so that's a catch 22.

11 DELEGATE BYRON: You're correct, Delegate
12 Dudley, I don't believe we have largely completed that, and that's probably
13 an inaccurate objective, because when you look at the old one we certainly
14 don't come within the rationale connecting the region's fiber optics networks
15 for national global structure. That sounds good, but we haven't done that
16 yet. I think some of those same objectives --

17 MR. PFOHL: -- MidAtlantic Broadband is now
18 connected to Atlanta MBC by an agreement they have with the national long
19 haul carrier. The Southwest network is connected to the Kentucky data link
20 in a Tier 1 presence. There are certainly opportunities to increase those
21 connections that are a good long haul to make the Tier 1 --

22 MR. ARTHUR: -- You're saying the routers are in
23 place?

24 MR. PFOHL: The agreement is in place for MBC
25 to have access to long haul fiber.

1 MR. ARTHUR: The hardware is not in place?

2 MR. NOYES: The vendor for the last piece of
3 hardware was selected and approved by the MBC Board last week, or two
4 weeks ago.

5 MR. ARTHUR: A year later.

6 DELEGATE BYRON: Should we say the
7 Southwest is largely completed?

8 SENATOR WAMPLER: I'm not willing to say
9 that, and that was the point I was trying to make earlier. As a member of the
10 Tobacco Commission to make that assessment, that's where I would or
11 hopefully the Staff would say it, as far as the providers in the Southwest
12 community, as to where they are. We still have other communities that are
13 not served. Southwest and Southside are very large geographic areas. We
14 still have a lot of needs. Senator Ruff was talking about fiber to the
15 residents, and that's not exactly what we have in mind. There have been a
16 lot of communities that have been bypassed. I can't say that Southwest is
17 largely completed.

18 DELEGATE BYRON: Maybe what we need to
19 put in there is to have the Staff do the assessment, put in there maybe some
20 of the things that we have completed or have worked on and what our
21 original objective was, even if it's not complete. I don't see where by listing
22 our objectives it does anything but enhance what we've already done. As far
23 as the strategies, put down continue things that were --

24 MR. NOYES: -- Across each of the bullets?

25 DELEGATE BYRON: Without looking at each of

1 these individually, if that's something, where did all these come from, these
2 strategies?

3 MR. NOYES: These were adopted --

4 MR. ARTHUR: -- They came out of the original
5 Committee, of which I was a member. These are basically the bullets that
6 came out of the original Committee. I think if you look at each one and say
7 what we've accomplished in each one might be something --

8 DELEGATE BYRON: -- Some of these we might,
9 you know, I don't know that that should be a separate committee structure. I
10 don't know if Staff should tell us line-by-line --

11 MR. NOYES: -- We'll be happy to do that with
12 each of the individual committees. We didn't want to do it for this meeting,
13 simply because it was presumptuous for us to say the Commission had voted
14 for something and we were going to change it.

15 DELEGATE BYRON: Maybe have some leeway
16 in here that it wasn't as precise, otherwise you'll be back changing it every
17 six months. But we have some generalities.

18 MR. NOYES: Some general directions, these are
19 the sort of things that you want to see, and if something is not necessary, let
20 us know and it will not be incorporated in the revision. We will not seek to
21 develop measures of that item.

22 DELEGATE BYRON: I would say, as far as
23 Technology, that that would be a continual thing. Anybody that thinks there
24 is ever going to be an end to advancing technology doesn't understand
25 technology in the first place. It's something that we can stay on top of the

1 concept, but there's always going to be technology opportunities that we
2 might want to look at in the future. I don't think that will ever stop. Maybe
3 part of our objective will be the awareness of what we need to be doing in
4 our region to make sure that it's meeting the demands of technology needs
5 for the future.

6 SENATOR RUFF: I think one of the things that
7 we ought to be doing, at least once a year we ought to go back and look at
8 the technology that's available on that date and say are we going down the
9 best path, or are we using the most efficient process, or are we following
10 something that the technology is two or three or four years old. No one likes
11 to admit that they were wrong, but as technology changes we're going to
12 generally be wrong if we don't update that every year.

13 DELEGATE BYRON: I would agree. When we
14 see some of these things that are coming on the market, and the whole thing
15 changes frequently.

16 MR. ARTHUR: How we started in the beginning,
17 as far as technology is concerned, that was connectivity to every home in
18 Southwest and Southside and businesses. That was the objective.
19 Technology will continue on down the road, and you can look at new stuff as
20 it comes along, but how have we done headed toward or in the direction of
21 our original scheme for Technology? We lumped it under a big umbrella
22 called Technology, the objective was connectivity.

23 MR. NOYES: The Staff would be pleased to have
24 that objective put in the revised Long Range Plan, so instead of there being
25 three or four objectives that are listed that will include that, and it's

1 measurable, and we can tell you where we are in relation to where we want
2 to be going.

3 MR. ARTHUR: There is always going to be new
4 technology, and we'll never keep up with all of that. In the original
5 committee that set up the Long Range Plan, the scheme was connectivity to
6 all businesses, warehouses, cities and homes in Southside and Southwest.

7 MR. NOYES: A very clear objective, sir, and we
8 won't need four or five different objectives if that one is there. Unless the
9 Commission decides there are additional other objectives other than
10 connectivity.

11 MR. SIGER: Madam Chair, that objective
12 certainly has policy implications. I think that's clear and measurable and
13 efficient. If we can do that and try to finish up the last mile. There are
14 policy questions with all that, too, and I'm not sure if you want to determine
15 if that is pertinent or within the purview of this Committee or Technology
16 too say you want this to go to every home, maybe it should be broken down
17 as to how we want to, if you want to build towers, or just how you want to
18 go about this. I don't know if that's within the purview of this Committee. I
19 would suspect not, but in my mind, at least as far as long range planning,
20 this is the big goal, and the individual committees can take up the specific
21 topics and make a determination.

22 DELEGATE BYRON: Connectivity is the
23 objective and the availability in the region, and the strategy will certainly be
24 in line with what Senator Ruff was referring to in regards to keeping up and
25 doing an assessment. With regard to where we're at, keeping up with future

1 advances.

2 MR. ARTHUR: You need a yardstick to measure
3 by and see how we're doing. We've got to decide if we're going to fund third
4 parties, which cannot be for-profit, because that's the way we work. If we
5 work through municipalities or tax-free organizations, does that give them
6 an unfair advantage over people in free enterprise?

7 SENATOR RUFF: Shouldn't we revisit the issue
8 of whether we're going to offer incentives to third parties not-for-profit
9 organizations? If we're able to offer an incentive to get somebody to come
10 in and do it, then that's the most efficient way to do it, or getting into the
11 market, aren't we better off by doing that?

12 DELEGATE DUDLEY: I think we've offered an
13 incentive, if we put the backbone structure in, and that's a million dollars
14 they don't have to spend, I think that's a pretty good incentive available to
15 everyone.

16 DELEGATE BYRON: The question still is, and I
17 don't think we have the answer, and that has to do with the cost factor. Are
18 we close enough, you know, we've talked about the last mile, and we're not
19 talking a mile distance, but have we brought it in close enough to the areas
20 that need to get that last part of the connection done that is affordable for a
21 business to come in, and can they make a profit out of it; otherwise, there's
22 no sense in them coming to localities and doing that. I think they're all valid
23 questions that we simply are void of answering.

24 MR. ARTHUR: Isn't, by stating our objective,
25 what we really want to do, and let the Technology Committee figure out how

1 to do that and what's best to do? I don't think this Committee's job, in my
2 opinion, is to tell the Technology Committee how to get the job done. This
3 is our overall objective, and this is what we want to do. That's the way I
4 envision it.

5 SENATOR RUFF: Madam Chairman, I agree with
6 that, but at the same time I don't think we ought to close the door
7 unnecessarily. I think we ought to keep our eyes open to what is the most
8 efficient way to do it. If you said only municipalities can do it, then
9 Clarksville would never do it, never get the last mile out. If everybody
10 understood in the marketplace what the rules were, then a private industry
11 may well come in and do it. If there are no guidelines as to what's going to
12 happen and what's not going to happen, most for-profit companies will sit
13 back and say I'm going to wait until they do the last things they're going to
14 do, whatever that may be. We need to figure out how we can, or how the
15 Commission, whether it be Technology or whatever it needs to do, needs to
16 define what the rules are, and we move forward. So, then business people
17 can make decisions, yes, I want to do this, or no, I don't.

18 DELEGATE BYRON: We're getting off into the
19 technology details here, just to comment on that. My understanding of it,
20 when you talk about the private sector, there are many private companies
21 that already have a lot of the infrastructure in the ground and we don't have
22 access to it. Some of them have it in place and simply choose not to bring
23 that connection out because it's not cost effective. I believe we're dealing
24 with some of the smaller ISP's that have a membership with MBC to see if
25 it's cost effective and they can grow as smaller members to do what these

1 bigger companies are not willing to do. I think that's a big part of the
2 question. I think we've discussed it enough here that I will make sure, Tom
3 and I are both on Technology, that we discuss these things and get some
4 answers and bring them back to everyone.

5 I guess the training part falls under Education, and we don't
6 want to mention that there. Would you put technology training under
7 Education or leave it with Technology?

8 SENATOR RUFF: I don't see how you could say,
9 you know, if you want to eliminate the Education Committee, eliminate it,
10 and if you want to eliminate Technology, you can do any of those things you
11 want to do. Human infrastructure is people.

12 DELEGATE BYRON: Are there things that we're
13 not doing now that you feel should be part of the Long Range Plan, or are
14 we there? Not there, but we're still doing it.

15 SENATOR RUFF: We've never placed much
16 emphasis on the disadvantaged or under K through 12, because we believe
17 the greater goal was to get people working, whether that be a two or four
18 year college or workforce training, we felt they were higher priorities, and
19 the Committee will have to speak for itself. I'd say in my mind it's still the
20 highest priority. K through 12 gets millions of dollars from the state to take
21 care of those needs, the disadvantaged get federal money. Yes, there's gaps
22 that we can fill in, but do they reach the level of workforce training ? Not in
23 my mind.

24 DELEGATE DUDLEY: I thought what they
25 meant by this for disadvantaged is someone who works for 20 years, had no

1 other skill, could not move to a lateral or different position, that was the
2 disadvantage.

3 DELEGATE BYRON: That's not workforce
4 training, disadvantaged are people that are handicapped.

5 MR. SIGER: People that are hard to certify. It's
6 hard to certify the relationship with disabled people and people with
7 difficulties; they have a hard time getting a job in the workforce.

8 MR. NOYES: I'll ask Staff to research that. When
9 you say disadvantaged, somebody will decide that they're disadvantaged for
10 one reason or another, and we get applications.

11 MR. PFOHL: I think this particular reference, it's
12 talking about disadvantaged high school students. In the economic
13 development community they have a different definition than say in Social
14 Services. We're hearing from the Social Services folks that are looking at
15 children that grow up in a single parent household, grow up in subsidized
16 housing, and situations like that. They're looking at it from a Social
17 Services' perspective, and we're being asked to intervene to provide services
18 to help people.

19 MR. ARTHUR: You're opening a Pandora's box;
20 glorified baby-sitters is what it is.

21 SENATOR RUFF: If you go back to the old
22 guidelines, Number 2, it lists that. The question is, do we ignore it or does
23 the Committee want to give us more guidance? Maybe the Executive
24 Committee can give further directions how to guide the Education
25 Committee toward it being a lower priority.

1 DELEGATE BYRON: What you're saying is, if
2 this is going to be out in the public eye, you're redefining your objectives so
3 that you don't have to display in such detail your objective as such. Maybe
4 that's what would be helpful if you want to do it. Do we have to be as
5 explicit in all the different objectives? That may bring a few more problems
6 than you want.

7 MR. ARTHUR: Frank, are you talking about
8 bullet Number 2 under Objectives, Human Infrastructure?

9 SENATOR RUFF: Under the old one, yes.

10 MR. ARTHUR: Yes, under the old one. That
11 doesn't open the door for kindergarten care.

12 SENATOR RUFF: No. I don't know how you
13 want to do it.

14 MR. SIGER: Hopefully, you can move forward
15 with a global workforce, a piece of that that this Commission has to take on
16 may or may not be applicable.

17 SENATOR RUFF: There are plenty of federal
18 programs that deal with the disadvantaged. Our goal and responsibility to
19 the Tobacco Commission is to move this region forward, and disadvantaged
20 folks weigh us down if we try to move forward. Those folks are not the ones
21 that are going to move us forward. They'll slow our progress down, and I
22 think that the goal of the Tobacco Commission is to move us forward.

23 DELEGATE BYRON: When you look at the
24 objectives, will they complement what the work is and has been of the
25 Education Committee, leadership training and technology, what we would

1 refer to with regard to individuals in the community that have to do with
2 retraining individuals to a level that is needed with the technology?

3 MR. NOYES: We would be happy to wordsmith
4 things, we're not prepared to do that in advance of instructions from this
5 Committee.

6 DELEGATE BYRON: I think, in generalities do
7 you want me to, Frank, as far as your Committee goes, is it necessary to, a
8 lot of these objectives, or maybe some of the things that you've already done
9 could be listed in our --

10 SENATOR RUFF: -- Well, you know, if I were to
11 sit down and write objectives, one would be to emphasize workforce training
12 and retraining. It would be to enable the next generation of folks to be able
13 to gain skills to remain in the region. That would be my idea.

14 MR. ARTHUR: That's broad enough to cover
15 about anything you want to do. I don't think it needs to be in as much detail
16 as is listed here, just broad objectives. The high school students could
17 almost be at the bottom of this list you've got here if you put them down in
18 priority order.

19 MR. NOYES: The two objectives that Senator
20 Ruff was talking about were workforce training and retraining and retention
21 of the indigenous labor force. Those are measurable, and they are broad, and
22 they don't constrain the decision-making process of the Tobacco
23 Commission in terms of particular applications, but they do point potential
24 applicants for funds in this category to the areas of emphasis. Applications
25 will be written to emphasize that retention is something the program aims to

1 do.

2 DELEGATE BYRON: The initiatives and talking
3 about keeping our youth in the Tobacco Commission region, to offer
4 incentives for them to remain, give them some leeway to do what they want
5 to do, but not too specific or too long.

6 SENATOR WAMPLER: I think this is a friendly
7 suggestion to what Senator Ruff was saying. When you talk about training
8 the workforce I'm not sure that gets into the undergraduate and graduate
9 degrees. My suggestion is that we need to set aside some serious dollars in
10 the future and what we're already doing with Education, but to target some
11 of these degree programs to support technology-based efforts. If that's
12 inclusive in what Frank was offering, maybe my comments are unnecessary.
13 I think the Staff needs to work with others and develop a set of criteria that
14 we have to go through as a Commission, then we can say do we want to
15 invest money doing this or use it elsewhere.

16 SENATOR RUFF: William, I'd say that's a great
17 example of strategy to achieve the first two objectives.

18 DELEGATE BYRON: Are you referring, as far as
19 Education, engineering and mathematics that go hand-in-hand with
20 Technology, is that what you're referring to or not?

21 SENATOR WAMPLER: Well, it's part of it, but
22 we're not the experts there, and that's where we have to rely on what jobs are
23 available, or what we think we can attract. In a case where it's a four-year
24 degree we have to think in advance of where we think those jobs are going
25 to be. I'm not sure this Commission has the expertise, necessarily, or would

1 be the best advisor. That's where I think the Staff can come back to us with
2 some ideas and suggestions for the longer term of where we need to be.

3 MR. STEPHENSON: Madam Chairman, if I
4 might ask, Senator Wampler, are you suggesting it would be incumbent upon
5 the Staff to bring proposals from the top down, if you will, instead of waiting
6 for them to come to us from our constituents?

7 SENATOR WAMPLER: Actually, not. I think
8 what I'm more interested in is as you work with technology-based companies
9 and institutions of higher learning and/or folks that are just trained off the
10 shelf, so to speak. Tell us what you can do in the short term and in the
11 longer term to train those people. I guess more of a sense of what it will take
12 in the market to have 500 folks with those skills for Southside and
13 Southwest. I don't know the answer until such time as you all can tell us
14 what needs to be done in that regard.

15 DELEGATE BYRON: Some of the information
16 we get from the Workforce Training Commission from the VEC and other
17 areas that deal with the demand over the next ten years for nurses, teachers,
18 engineers. You're talking about a specific field and the training that goes
19 along with those job opportunities, right?

20 SENATOR WAMPLER: I think it is, but then I'm
21 not sure government gets it right most of the time.

22 DELEGATE BYRON: We know that the areas are
23 not going to produce X amount of people for this.

24 SENATOR WAMPLER: I understand, but we've
25 got to think in terms of what the best policy is.

1 DELEGATE DUDLEY: I assume this clarification
2 comes from some of the older objectives in the original Long Range Plan. I
3 see this objective, "Pipeline programs for disadvantaged high school
4 students in technology-assisted learning to build knowledge and skills
5 necessary for admission to colleges and universities."

6 MR. NOYES: That was the Staff comment that --

7 DELEGATE DUDLEY: -- Nothing socially in that
8 statement at all, working from the concept that some high schools in rural
9 areas in Southwest and Southside did not have access to the same type of
10 technology and ability to deal with technology as some other parts of the
11 state. That's where "disadvantaged" came from, nothing mental or physical.

12 SENATOR RUFF: I'm glad you remembered that.

13 DELEGATE BYRON: Are we ready to do some
14 revamping? Let's start with "Conditions for Innovation." You've included
15 establishing a research activity or increasing experimentation on the part of
16 research activity, and that would certainly apply to some things that we're
17 doing at the Research Center in Danville, along with other areas.

18 MR. NOYES: Also, work in Southwest Virginia is
19 very innovative.

20 DELEGATE BYRON: Jobs and business revenues
21 should be retained, that one, I'm wondering if we might wish to add, could
22 you comment?

23 MR. PFOHL: The specific comment I said to the
24 Executive Director was that we're a little bit limiting in identifying the
25 activities that we're interested in. A more general statement might be that we

1 want to identify and develop economic sectors and activities that are
2 untapped and undeveloped or emerging in order to create jobs and expand
3 business revenues that can be retained in the region. It's a little bit broader
4 brush at looking at sectors where there's growth opportunity and investing
5 strategically in those sectors.

6 MR. NOYES: I edited down that language, and on
7 the third occasion he reminded me I hadn't put it in. The issue is a more
8 general statement. The objective is to keep the jobs in our regions and to
9 keep the revenues from the businesses in the regions, which is something
10 that is not clear in the original long-term plan in dealing with opportunities
11 to advance innovation. Tim felt this is something that the Committee might
12 want to consider, specifically mentioned. Other folks said it, I'm not picking
13 on Tim.

14 DELEGATE BYRON: I would agree, but I'm
15 trying to think --

16 DELEGATE DUDLEY: -- How do you do that? I
17 went to a meeting of manufacturers last week, and spending capital money
18 in our area and hiring people in our area, but they're owned by a
19 conglomerate out of New York, so how do you say the money they make
20 here has to stay here, but it's going back to the shareholder.

21 MR. NOYES: But you can measure how much of
22 it does. You can emphasize those types of projects, and people will come to
23 us and say we're local. It doesn't mean that MW would not have received
24 assistance, certainly I would think it would. It doesn't preclude anything, but
25 it's a point of emphasis.

1 MR. SIGER: If you look at the comment
2 innovation and research and skill development, Southside and Southwest can
3 grow and prosper if you keep the conditions right, and I think the
4 commitments will follow. There are very successful manufacturing
5 facilities, and one I'm thinking of is Volvo. All of that is part of an
6 advantage to the state. I think everyone profits from that.

7 DELEGATE BYRON: I would agree, Tim, but I'm
8 just not sure that that, as long as you're creating those jobs and the people
9 have some income to spend, you're certainly getting a benefit from that.
10 How do you measure the scenario, is it based on the amount of jobs?

11 MR. PFOHL: In the case of MW you could look
12 at projects based on their ability to retain personal income in the region.
13 Corporate income may be leaving the region, but they're also purchasing
14 supplies and resources they're purchasing in the region and so forth, or
15 indirect spending. It kind of goes to the economic measurement of projects.

16 MR. SIGER: Wythe County is one example that
17 comes to mind. It involves direct investment, and there are other companies.
18 So when you talk about profits, Pepsi comes to mind, whether it's Southwest
19 Virginia or Southside, as long as you keep spending it's an opportunity.
20 Even if corporate profits go somewhere else, the businesses located in
21 Virginia create wealth, create revenue for the state and the locality and
22 improve the quality of life.

23 MR. PFOHL: This is just a suggestion. Another
24 way to look at one or two specific examples of areas that we seek to grow
25 and innovation. My suggestion was that we identify and develop economic

1 sectors and activities that are untapped, underdeveloped or emerging in order
2 to create jobs and expand business revenues to the extent possible that can
3 be retained in the region. Then we offer some examples. That type of
4 general statement might be able to embrace things such as nanotech,
5 motorsports, artisan activities, e-commerce, and so forth. Those are in effect
6 economic sectors that we are working with.

7 DELEGATE BYRON: Are you telling me this is
8 something we should have emphasis on or encourage? To what extent
9 would that statement apply?

10 MR. PFOHL: I guess in my mind that's more of a
11 general statement of intent. There are sectors maybe that we don't even
12 envision dealing with in a couple of years. We probably can't name them
13 specifically right now, but might meet that test of having growth potential
14 that would benefit the region in a way that lists here.

15 SENATOR RUFF: I would agree with Tim. I
16 don't think you want to get into specific examples, because that takes away
17 from the definition. We want it to be broad enough that you can look at
18 everything, not narrow it down to any one area or any types of areas.

19 DELEGATE DUDLEY: Madam Chairman, you
20 asked me how my memory was. From a historical perspective I think what
21 we're saying is that, and I'll reverse the order. Number one, we want to have
22 a way of helping large companies locate in the region, and at the same time
23 we want to encourage smaller start-up, small jobs and small capital ventures
24 within the region. That's basically all we're saying. We're interested in the
25 big guys and the small guys, ones that we want to help homegrown, in a

1 way, that's who we want to help. That's all we're saying.

2 DELEGATE BYRON: So we all agree, and is
3 there a consensus of what these statements mean?

4 MR. ARTHUR: I have no problem.

5 DELEGATE DUDLEY: I don't like the listing of
6 governmental activities.

7 DELEGATE BYRON: The rationale for it.

8 MR. NOYES: I think Staff could write a single
9 objective, or perhaps two, that would cover the area Delegate Dudley
10 reminded us motivated the original discussion.

11 DELEGATE BYRON: Tim, are you replacing the
12 rationale, is that what you said?

13 MR. PFOHL: It may be a way to enhance that
14 rationale, clarify it a little bit. I think Delegate Dudley and I are talking
15 about the same thing.

16 DELEGATE BYRON: After development, in the
17 first sentence there, included in your wording that you said, down through
18 agriculture, what you were talking about deleting and replacing, right?

19 DELEGATE DUDLEY: No, I don't know that we
20 need to list such things as motorsports, artisan activities.

21 DELEGATE BYRON: That's the objective part,
22 I'm talking about the rationale.

23 DELEGATE DUDLEY: I don't want it up there,
24 either.

25 DELEGATE BYRON: Senator Wampler, anything

1 that you want to add?

2 SENATOR WAMPLER: No, my battery is getting
3 ready to go in my communication device.

4 DELEGATE BYRON: Okay, we're done with that
5 area. Let's move on. Let's move on to Building Regional Development
6 Capacity. Anyone have anything they want to add? Are we okay with that?
7 Rationale for Southwest and Southside, anything different?

8
9 NOTE: At this point Senator Wampler is
10 disconnected.

11
12 DELEGATE BYRON: The rationale is fine to
13 me. Does anyone want to change anything?

14 Objectives, how did you come up with that?

15 MR. ARTHUR: Should be totally omitted.

16 DELEGATE BYRON: How's your memory on
17 that?

18 DELEGATE DUDLEY: I know where it came
19 from, conversations concerning Danville and Pittsylvania, the leadership
20 program, getting into trying to train leaders within the community and
21 learning how we can expand such programs. Mr. Majors wanted it, and he
22 was involved in the leadership program.

23 SENATOR RUFF: That is an identified problem
24 in small communities. What happens is that the same person who was the
25 Rotary President one year does it for another year, and then everyone is so

1 polite they don't replace him. So every organization tends to go downhill,
2 because nobody is taking that leadership role. This whole concept with the
3 Chamber of Commerce and other areas, not only in Virginia but nationwide,
4 try to build up the number of people who have an interest in leadership and
5 drawing them out of their shell to take an active role. Whether it should be
6 an objective of the Tobacco Commission, I don't know.

7 DELEGATE BYRON: Maybe that's where we got
8 into a discussion when we started talking about doing it regionally.

9 SENATOR RUFF: What was that?

10 DELEGATE BYRON: When we started talking
11 about getting into a regional approach rather than just some of the key
12 leadership in the community. Maybe we should eliminate it.

13 MR. ARTHUR: The way it is stated, Madam
14 Chairman, I don't think it fits within the purview of this Tobacco
15 Commission.

16 SENATOR RUFF: If it belongs in the Tobacco
17 Commission it should be moved under human infrastructure.

18 DELEGATE DUDLEY: It's certainly something
19 hopeful. As far as us having a plan to do that, I don't think, I don't know
20 how we'd do it. It does tie in with the fact that we have to grow, a large part
21 of us depend on us doing it. One way to do it is bring along young people
22 within the community to become leaders. I don't think that's something we
23 should do, per se.

24 DELEGATE BYRON: Anything else we need to
25 add?

1 MR. NOYES: Madam Chairman, it was just
2 pointed out to me that access to healthcare issues for Staff. Based on what
3 we're seeing coming in the door, do you want to discuss what your findings
4 are on that?

5 MR. PFOHL: We are approached by hospitals,
6 hospital-based wellness facilities, by YWCA's, fitness centers, as well as
7 medical clinics, and those types of facilities, for assistance with projects.
8 Everyone's project directly affects economic development, whether it's
9 housing supply, roads, healthcare, schools, what have you. We strongly
10 encourage perspective applicants to review the Commission's Long Range
11 Plan so they can understand what your areas of interest are. We need to
12 pinpoint phrases like access to healthcare and give them the green light to
13 come in and apply for things. We're dealing and hearing from you areas you
14 don't want to have an interest in investing in. I think healthcare may or may
15 not be one of those areas. We'd just like some clarification from you.

16 DELEGATE BYRON: That may be an important
17 component of a region, and I don't know that was part of the charge of the
18 Tobacco Commission, unless you put that into the Education piece. That
19 might give them job opportunities in the future. As far as providing access,
20 that might be one way to bring people back in the community. Whether you
21 have to specifically put it in your mission statement and your objectives, I
22 question that.

23 MR. ARTHUR: It certainly affects the quality of
24 life in the community, for sure, but I don't know that it affects economic
25 development, maybe it does, but it's no access to healthcare. It's still quality

1 of living items, in my opinion, but economic development is our charge.

2 MR. NOYES: I would point out that the way the
3 budget works out you're looking at using securitized money, restricted
4 monies in this context. That's not clear to a lot of folks out there.

5 DELEGATE BYRON: I think we can get right to
6 the question here and eliminate that. Would you suggest going down to the
7 healthcare or take that part out or leave the top part about Southside and
8 Southwest? If it's not needed you just need to put your objectives down and
9 strategies.

10 MR. NOYES: That's marvelous.

11 DELEGATE BYRON: I think that's what we need
12 to do. Are we in agreement with that? Then let's look at the objectives, is
13 there any change there? Create water, sewer and other basic infrastructure
14 where needed, which we've done in quite a few places.

15 MR. NOYES: Having that utility infrastructure
16 easily measured. We could say how much money or how many linear feet,
17 additional capacity. There are a lot of ways to measure that sort of thing.
18 The same with the basic site development.

19 DELEGATE BYRON: Do you want to add
20 something, or is that under objectives generally?

21 MR. PFOHL: No more details.

22 DELEGATE BYRON: Do you want to eliminate
23 recruit and develop local leadership where needed?

24 Then strategies Southside, I guess that's generally as well.

25 Removing proposed funding allocations. Any discussion?

1 MR. NOYES: That was in the old, the proposed
2 funding allocations. We need your permission to remove it, general funding
3 policies.

4 DELEGATE BYRON: Removing proposed
5 funding allocations, anyone want to discuss that? It was in the old or current
6 Long Range Plan.

7 MR. STEPHENSON: It was meaningful in the
8 pre-securitization context, and where we are today it doesn't have any need.

9 DELEGATE BYRON: As far as how much
10 percentage for each specific area allocation. Basically, you're suggesting
11 that we eliminate that from the Long Range Plan and go with the shorter
12 version you have in the beginning of this with the MSA revenue and the
13 Endowment on Page 2 of the new revised one, with the corpus invasion
14 percentages that are mapped out, and you're suggesting that's the only thing
15 we put a restriction on? Is everyone in agreement with that? All right.

16 Then, let's speak to the general funding policies. Does the Staff
17 have any updated work on the funding policies that you've encountered?

18 MR. PFOHL: These are captured in the handout.
19 We thought we could use this section of the Long Range Plan to reflect the
20 Commission's actions in January in enumerating some low priorities. We
21 felt that the requests coming to the Commission may indirectly affect
22 economic development. As Mr. Arthur stated, there are some quality of life
23 issues, rather than something that is a deal maker or deal breaker in an
24 economic development decision by a company or by an employer. The last
25 bullet in the handout, suggested changes and low priorities of the

1 Commission.

2 SENATOR RUFF: Do you all tell applicants up
3 front so they fully understand that?

4 MR. PFOHL: Yes.

5 DELEGATE BYRON: Fully understanding that
6 we adopted these back in January, and by putting them in here, they also
7 have it visually before they come to you, is probably helpful. It's all part of
8 the public record.

9 All right. Any further comments from anyone? If not, then I
10 would suggest that we allow the Staff time to work on these changes that
11 we've talked about today and prepare a working draft so we could see and
12 review that and add any edits to the draft if need be, so that when it does
13 come back before us again we will pretty much have a copy of something
14 before us that everyone will probably be in general agreement with. Will
15 that work?

16 MR. NOYES: Yes.

17 DELEGATE BYRON: I would ask the Staff if you
18 have a specific date.

19 MR. STEPHENSON: Delegate Byron, would the
20 Committee like to fix its next meeting date and set a time frame for getting
21 this done?

22 DELEGATE BYRON: My suggestion is that
23 everyone get something by mail that they can look at and review. There's no
24 rush, but we still want to keep it fresh in our minds. Right now we're kind of
25 winding down from the Session, and people are taking vacations.

1 MR. STEPHENSON: We have a Commission
2 meeting in late July, and then the one after that is in October. Just from a
3 planning perspective, I would suggest that this Committee fix its next
4 meeting date before October, so we can wrap it up in October, or after
5 October, and in that case we'd wrap it up in January.

6 DELEGATE BYRON: There's a lot of information
7 we might want to incorporate, Technology, and that probably would be, we
8 would need time for that Technology part to be finished.

9 MR. NOYES: Mid-August for that committee
10 meeting.

11 DELEGATE BYRON: That's fine. I don't know if
12 it would take that long. We've got a lot of information from Technology, it
13 will probably take a little longer for that Technology piece, as far as how we
14 put our comments in the plan with regard to measures that we want to
15 accomplish and then come back and readdress it again. Is that clear?

16 MR. STEPHENSON: No, ma'am.

17 DELEGATE BYRON: The Staff is going to draft
18 what we've discussed so far, minus the Technology piece, and can we do it
19 while that's fresh? I'd like to see some of the discussion points we had and
20 look at those so I won't forget them two months from now, minus the
21 Technology piece. We can meet again in September, after the Technology
22 meeting, and have some information from that, and sometime before the
23 October meeting.

24 MR. STEPHENSON: That would give you an
25 opportunity to be ready in October with the work of the Committee.

1 DELEGATE BYRON: Knowing that some of our
2 legislators are going to be very busy working on a transportation plan in
3 September, we'll probably have to call for some dates as it gets closer.

4 MR. STEPHENSON: We'll do that.

5 DELEGATE BYRON: Any further comments?
6 I'll entertain a motion that we adjourn. (So moved.)

7

8 PROCEEDINGS CONCLUDED.

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23 CERTIFICATE OF THE COURT REPORTER

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25 I, Medford W. Howard, Registered Professional

1 Reporter and Notary Public for the State of Virginia at large, do hereby
2 certify that I was the court reporter who took down and transcribed the
3 proceedings of the **Virginia Tobacco Indemnification and Community**
4 **Revitalization Commission Long Range Plan Committee Meeting when**
5 **held on Thursday, June 29, 2006 at 1:00 p.m. at the Holiday Inn**
6 **Tanglewood, Roanoke, Virginia.**

7 I further certify this is a true and accurate
8 transcript, to the best of my ability to hear and understand the proceedings.

9 Given under my hand this 15th day of July, 2006.

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16 _____
17 Medford W. Howard

18 Registered Professional Reporter

19 Notary Public for the State of Virginia at Large

20
21
22 My Commission Expires: October 31, 2006.
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